

## Message Text

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42

ACTION EB-06

INFO OCT-01 EUR-12 ISO-00 CIAE-00 INR-05 NSAE-00 RSC-01

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R 081345Z NOV 74

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 2219

DEPARTMENT OF COMMERCE WASHDC

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E.O. 11652: N/A

TAGS: HU, BEXP, BTRA, ETRD

SUBJ: VISIT OF BOWMAR PRESIDENT

REF: A. BUDAPEST 2944

B. STATE 230259

1. BOWMAR REPRESENTATIVES KRAKAUER AND SELF HELD FOUR DAYS OF NEGOTIATIONS WITH HUNGARIANS OCT 29 - NOV 1. TALKS RESULTED IN NEW PROTOCOL (POUCHED TREICHEL NOV 5) WHICH REEMPHASIZES BOWMAR'S BUYBACK REQUIREMENTS. THIS ASPECT OF INITIAL AGREEMENT HAD BEEN BASICALLY UNFILLED BY BOWMAR (MUCH TO THE DISPLEASURE OF ELEKTROMODUL) ALTHOUGH BOWMAR RELATIONS WITH HIRADASTECHNIKA REGARDING SUPPLIES OF CALCULATOR KITS AND TECHNOLOGY WERE EXCELLENT.

2. COMMERCIAL ATTACHE' SAT IN ON NEGOTIATIONS AND PARTICIPATED IN HIRADASTECHNIKA PLANT TOUR WITH APPROVAL OF ALL PARTIES.

3. HUNGARIANS STRESSED IMPORTANCE OF BOWMAR'S FULFILLMENT OF CONDITIONS OF BUYBACK AGREEMENT BOTH IN MEETINGS WITH BOWMAR AND IN SUBSEQUENT CALL BY EMBASSY OFFICERS ON EMIL KELENHEGYI, VICE CHAIRMAN OF NATIONAL FEDERATION OF PRODUCER COOPERATIVES (OKISZ), WHICH OVERSEES ACTIVITIES OF HIRADASTECHNIKA. WHILE KELENHEGYI STATED HIS ORGANIZA-

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TION MOST INTERESTED IN EXPANSION OF RELATIONS BETWEEN

HUNGARIAN PRODUCER COOPERATIVES AND AMERICAN FIRMS, HE  
CONTENDED THAT FUTURE PROSPECTS FOR COOPERATION WOULD BE  
INFLUENCED BY SUCCESS OR FAILURE OF BOWMAR VENTURE. BOWMAR  
WAS TEST CASE AND IF THIS COOPERATIVE AGREEMENT SUCCESSFUL,  
IT WOULD BE FAR EASIER FOR OKISZ TO OBTAIN MINISTRY OF  
FOREIGN TRADE APPROVAL FOR FUTURE VENTURES INVOLVING  
AMERICAN COMPANIES. IF BOWMAR DID NOT FULFILL TERMS OF  
CURRENT CONTRACT, IT WOULD NOT ONLY ELIMINATE ANY POSSI-  
BILITY OF POSSIBLE JOINT VENTURE IN FUTURE, BUT WOULD ALSO  
HAMPER THE CONCLUSION OF OTHER COOPERATIVE AGREEMENTS  
INVOLVING U.S. COMPANIES.

4. KELENHEGYI REQUESTED THAT EMBASSY AND DEPT OF COMMERCE  
DO WHATEVER POSSIBLE TO HELP INSURE SUCCESS OF BOWMAR/  
HIRADASTECHNIKA PROJECT. WHILE EMBASSY REALIZES THERE  
ARE LIMITATIONS AS TO HOW MUCH WE CAN INFLUENCE BOWMAR'S  
POLICY, RECOMMEND THAT COMMERCE TRY AND MAINTAIN CLOSE  
CONTACT WITH BOWMAR IN AN ATTEMPT TO ELIMINATE ANY POSSIBLE  
FUTURE MISUNDERSTANDINGS WITH HUNGARIANS.

5. BOWMAR ASCRIBES MOST OF RESPONSIBILITY FOR THEIR NOT  
HAVING BOUGHT MUCH BACK FROM HUNGARIANS TO LATTER'S LACK  
OF AGGRESSIVENESS IN SELLING. THIS IS NO DOUBT TRUE.  
BASIC DIFFERENCES IN SYSTEMS PLAYED IMPORTANT ROLE IN THE  
DIFFERENCES, AND WE HOPE FACE-TO-FACE CONTACTS HELD HERE  
HAVE MADE BOTH SIDES BETTER AWARE OF HOW TO DEAL WITH EACH  
OTHER.  
PEDERSEN

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
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**TAGS:** BEXP, BTRA, ETRD, HU, US, BOWAR  
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